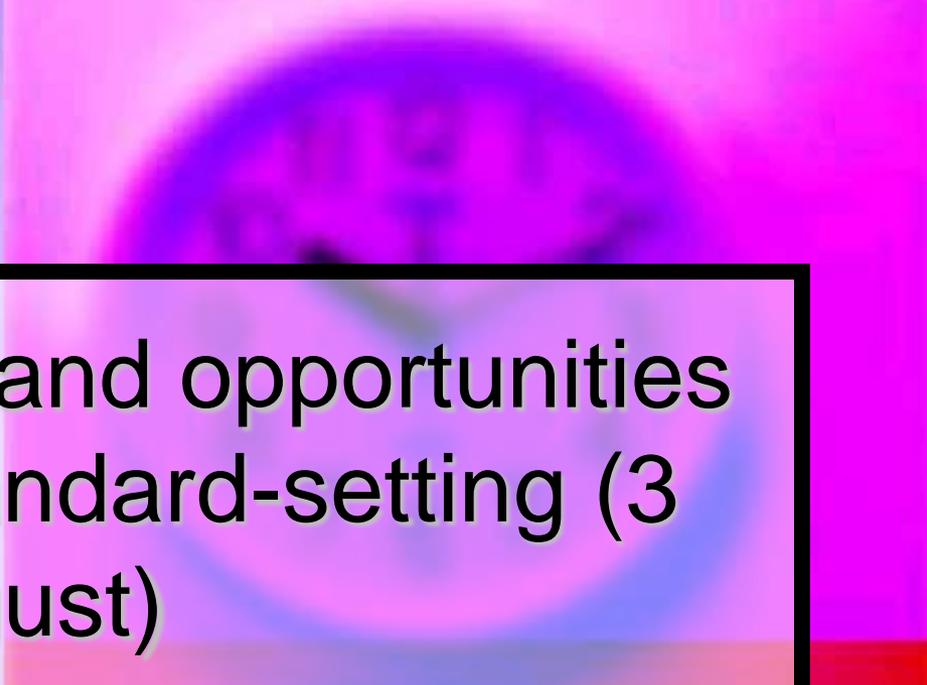


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Research needs and opportunities  
coming from standard-setting (3  
August)

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Kevin Stevenson, Chairman and CEO, Australian  
Accounting Standards Board  
Executive in Residence & Fellow, Department of  
Accounting and Business Information Systems

# Disclaimer

- My views only
- Caretaker provisions apply



# “Knowing others’ needs”

- The AASB agenda has been re-focussed around:
  - keeping pace with the IASB as it has dealt with financial reporting issues highlighted during the global financial crisis (GFC) and high priority IFRS/US GAAP convergence projects
  - rejuvenating the public sector work program
  - improving private sector not-for-profit reporting
  - establishing requirements for differential reporting in both the private and public sectors



# “Knowing others’ needs’

- closely monitoring and influencing the developments of conceptual frameworks by the IASB, FASB and IPSASB
- harmonising Australian and New Zealand reporting requirements
- revising selected Australian originated standards
- increasing influence internationally, including regionally
- ensuring that the AASB’s resources are both adequate and sustainable and that its processes are open and accessible



# Sleepless Nights

- Designing the conceptual framework in a manner that takes account of the tangle of relationships between the basic building blocks (“cross-cutting issues”)
- Managing overall the avalanche that is “IFRS 2” – how to capture hearts and minds?
- Assessing individual major changes in financial instruments requirements, revenue., leases, insurance, consolidation, de-recognition, provisions, measurement, presentation and disclosure etc etc
- Developing differential reporting in both sectors sensibly and not just as a reaction to cries of burdensome requirements
- Taking public sector reporting to the next level whilst keeping a weather eye out for international developments that some see as being as significant as IFRS



# Sleepless nights continued

- Understanding the impact of likely financial reporting changes differentially in the region of Asia Oceania
- Playing a leading role in AOSSG so that reputation and influence are increased and to leverage domestic initiatives
- Responding to tightened requirements for regulatory impact statements and understanding where that is heading
- Understanding the shifting platforms of other regulators and their possible impacts on financial reporting
- Completing post implementation reviews of existing standards vis their objectives



# Sleepless nights continued

- Knowing what to pay attention to in academic research and what can be ignored
- Acquiring industry specific knowledge of issues in insurance, banking, extractive, superannuation etc industries
- Developing valuation knowledge in a manner that complements measurement objectives
- Having enough international data to have thoughts listened to.



# Opportunities for research

- Plethora of pre and post change circumstances, with changes impacting users, preparers and auditors
- Cross border issues suggest comparative studies of all sorts, for example:
  - Institutional differences and their impacts
  - Differential abilities to assimilate change



# Opportunities for research

- Elements of standard-setters needs
  - Eg Brad Potter and Peter Carey doing SPFS profiling. Could generate data sets for many purposes.
- Regulatory impact statements
  - Costs assessed in terms of impact on business (not in terms of informational costs and benefits).
- Technique development
  - Expected loss models
  - Share based payment valuations





# Financial and time involvement

- Sponsors like AASB will put cash and time into projects
- Will lend authenticity to researchers claims
- Will often provide means for publication
- Will open up contacts at senior levels in both private and public sectors

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# Analysing Financial Statements

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